

Message Text

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62

ACTION EB-06

INFO OCT-01 AF-04 ARA-06 EUR-12 EA-06 NEA-06 IO-10 ISO-00

GSA-01 INT-05 SSO-00 NSCE-00 USIE-00 INRE-00 SP-02

AID-05 NSC-05 RSC-01 CIEP-01 TRSE-00 SS-15 STR-01

OMB-01 CEA-01 COME-00 L-02 H-01 PA-01 PRS-01 OIC-02

OPIC-03 CIAE-00 INR-05 NSAE-00 /104 W

----- 126112

O P 152120Z NOV 74

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC IMMEDIATE 553

INFO AMCONSUL PARAMARIBO PRIORITY

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS UNN

USMISSION GENEVA

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY OSLO

AMEMBASSY TOKYO

AMEMBASSY SAN JOSE

AMEMBASSY ACCRA

USINT ALGIERS

AMEMBASSY ATHENS

AMEMBASSY BAMAKO

AMEMBASSY BELGRADE

AMEMBASSY BRASILIA

AMEMBASSY CANBERRA

AMEMBASSY CONAKRY

AMEMBASSY FREETOWN

AMEMBASSY JAKARTA

AMEMBASSY PORT OF SPAIN

AMEMBASSY KINGSTON

AMEMBASSY MONROVIA

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

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AMEMBASSY PORT AU PRINCE

AMEMBASSY ROME
AMEMBASSY SANTO DOMINGO
AMEMBASSY THE HAGUE
AMEMBASSY YAOUNDE
AMEMBASSY KUALA LUMPUR

C O N F I D E N T I A L GEORGETOWN 2023

E.O. 11652: GDS
TAGS: ECIN,EMIX, XX, GY
SUBJECT: MORE ON IBA CONFERENCE

REF: GEORGETOWN 2008

1. DELEGATE OF A WESTERN HEMISPHERE MEMBER NATION OF IBA RESIDENT GEORGETOWN WHO ATTENDED ALL SESSIONS OF RECENT CONFERENCE MADE FOLLOWING OBSERVATIONS TO CHARGE ON NOV 14:
 2. AUSTRALIA & JAMAICA PLAYED THE LEADING ROLES AT THE CONFERENCE. AUSTRALIA WAS BETTER INFORMED ON MARKETING MATTERS WHILE JAMAICA WAS BETTER INFORMED ON TECHNICAL PRODUCTION MATTERS.
 3. IBA "COUNCIL" WILL MEET IN JANUARY OR FEBRUARY TO ADOPT PRICING FORMULA. SITE NOT FIRMLY DETERMINED BUT WILL PROBABLY BE KINGSTON. IF SECRETARIAT DOCUMENT WELL RESEARCHED AND WELL PROVEN, FORMULA MAY BE ADOPTED IN JAN/FEB OR AT LEAST PRIOR TO NEXT NOVEMBER'S REGULAR KINGSTON MEETING OF IBA.
 4. NO NATION WILL BE ADMITTED TO FUTURE IBA MEETINGS AS AN "OBSERVER". OBSERVERS REPRESENTING NON-NATIONAL ENTITIES (SUCH AS OPEC), HOWEVER, MAY BE ADMITTED UPON DECISION OF IBA COUNCIL OR POSSIBLY PRELIMINARY DECISION OF SECRETARIAT. THOUGH MEMBERSHIP REQUIREMENT COULD TECHNICALLY ALLOW FOR ADMISSION OF ANY SIGNIFICANT BAUXITE PRODUCER (POSSIBLY EVEN U.S. AND CERTAINLY FRANCE) POLITICAL REALITIES WOULD CLEARLY PROHIBIT MEMBERSHIP OF U.S. AND POSSIBLY MEMBERSHIP OF COUNTRY LIKE FRANCE.
 5. SOURCE CONFIRMED THAT TRINIDAD & TOBAGO WAS INVITED TO ATTEND AS OBSERVER THROUGH MISTAKEN ROUTING OF INVITATION, SINCE
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- TRINIDAD AND TOBAGO CLEARLY NOT QUALIFIED FOR MEMBERSHIP AND DOES NOT HAVE BAUXITE PRODUCTION AND ATTRIBUTES OF OTHER OBSERVERS AT THIS YEAR'S MEETING. INVITATION PROCEDURE WAS HAPHAZARD AND AD HOC, WITH AUSTRALIA MORE OR LESS UNILATERALLY INVITING INDONESIA & MALAYSIA, JAMAICA INVITING DOMINICAN REPUBLIC AND HAITI, ETC.
6. NO NATION AT THE CONFERENCE ADOPTED A CLEARLY RADICAL STAND,

THOUGH THE PRINCIPAL DELEGATE FROM GUINEA SEEMED TO HAVE A PERHAPS PERSONAL VIEWPOINT SOMEWHAT MORE RADICAL THAN THE OTHERS AND SEEMED TO BE DELIBERATELY RESTRAINING HIMSELF. GUYANA DID NOT SERVE AS A PARTICULARLY RADICAL ELEMENT AT THE CONFERENCE.

7. GUYANA DID, HOWEVER, ATTEMPT TO INCLUDE A MANDATORY CLAUSE IN THE DECLARATION REQUIRING SUPPORT OF IBA MEMBERS IN DISPUTES WITH THE MULTINATIONAL CORPORATIONS. THE IBA WOULD NOT ACCEPT THIS, AND ADOPTED A QUOTE NON-MANDATORY RECOMMENDATION UNQUOTE THAT MEMBER NATIONS SUPPORT OTHER MEMBERS IN SUCH DISPUTES.

8. SOURCE BELIEVES THAT TAX FORMULA TO BE ADOPTED BY IBA WILL FOLLOW CLOSELY ON THE JAMAICAN PRECEDENT WITH DUE ALLOWANCES BEING MADE FOR DIFFERENTIALS IN QUALITY OF ORE AND TRANSPORT COSTS.

9. THE RELUCTANCE TO SEAT THE GREEK DELEGATION AS OBSERVERS WAS BASED PURELY ON FACT THAT INITIAL GROUP REPRESENTED BAUXITE COMPANIES RATHER THAN GREEK GOVT. ONCE A GOVT DELEGATE ARRIVED, SOURCE ALLEGED GREECE WAS ACCEPTED AS OBSERVER WITHOUT DIFFICULTY, THOUGH THERE WAS STILL SOME RELUCTANCE TO ACCEPT THE COMPANY REPRESENTATIVES AS PART OF THE OBSERVER DELEGATION.

10. COMMUNIQUE CONTAINED "ALMOST ALL" OF THE IBA AGREEMENTS. SOURCE SAID THERE WERE A FEW ADDITIONAL QUOTE UNDERSTANDINGS UNQUOTE, BUT WAS DELIBERATELY VAGUE ON WHETHER THEY WERE IN FORM OF SIGNED DOCUMENT OR MERELY ORAL AGREEMENTS WRITTEN INTO MINUTES.

11. COMMENT: STATEMENT (PARA THREE) REGARDING JANUARY OR FEBRUARY MEETING JIBES WITH PRESS STATEMENTS AND HEARSAY THAT QUOTE EMERGENCY UNQUOTE MEETING WILL BE HELD AFTER PRICING AND LEVY COMMITTEES SUBMIT THEIR REPORTS (JAN 31). LIKELIHOOD SEEMS SLIM TO US TAT COMMON PRICING POLICY CAN BE REACHED OR EVEN PRO-CONFIDENTIAL

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POSED BY JANUARY OR FEBRUARY. SOME BAUXITE PRODUCING STATES WILL NO DOUBT GO FORWARD WITH OWN PLANS TO IMPOSE LEVY ALONG JAMAICAN LINES BEFORE COMMITTEE REPORTS TO IBA SECRETARIAT. WE BELIEVE THAT TO EXTENT JAMAICAN-STYLE LEVY IS APPLIED MORE OR LESS UNIVERSALLY, CHANCES FOR COMMON PRICING POLICY WILL BE

DIMINISHED, AND THAT NATIONS LIKE GUYANA, WHICH HAVE NON-INTEGRATED INDUSTRY SELLING AT ARMS LENGTH, WILL BE OUT ON A LIMB. ALSO, TO EXTENT THAT IBA MEMBERS FOLLOW JAMAICAN EXAMPLE INDEPENDENTLY, THIS WILL CREATE DE FACTO LEVY POLICY AND COMMITTEE WILL MERELY BE IN POSITION TO ENDORSE THIS MANIFESTATION. SOURCE REMARKS CONCERNING GUYANA'S BID TO GET COMMITMENT OF SUPPORT FROM OTHER MEMBERS (PARA SEVEN) IS FURTHER INDICATION THAT NO

RPT NOT ALL MEMBERS APPROVE OF WAY IN WHICH GUYANA IS
CONDUCTING ITS TAX/NATIONALIZATION CAMPAIGN AGAINST
REYNOLDS.
MATTHEWS

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Message Attributes

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Disposition Date: 28 MAY 2004
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